[Execution Copy]

INSURANCE AGREEMENT

THIS INSURANCE AGREEMENT, dated as of October 1, 2004, is entered into by and between XL CAPITAL ASSURANCE INC., an insurance company incorporated under the laws of the State of New York ("***XLCA***"), and CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AMERENCIPS, a corporation duly organized and existing under the laws of the State of Missouri (the "***Company***").

WHEREAS, pursuant to an Indenture of Trust, dated as of October 1, 2004 (the "***Bond Indenture***"), between Illinois Finance Authority (the "***Issuer***") and UMB Bank, N.A. (the "***Trustee***"), the Issuer proposes to issue its Environmental Improvement Revenue Refunding Bonds (AmerenCIPS Project) Series 2004 in the principal amount of $35,000,000 (collectively, the "***Bonds***"); and

WHEREAS, pursuant to a Loan Agreement, dated as of October 1, 2004 (the "***Loan Agreement***"), between the Issuer and the Company, the Issuer will loan the proceeds of the issuance of the Bonds to the Company and the Company will agree to repay the loan by making payments in amounts and at times sufficient to pay when due the principal of and interest and any premium on the Bonds; *provided, however*, that the obligations of the Company to make any such payment hereunder shall be reduced by the amount of any moneys held by the Trustee or the Paying Agent under the Bond Indenture and available for such payment; and

WHEREAS, the Bonds will be secured by an assignment and pledge by the Issuer of, and grant by the Issuer of a security interest in, the Trust Estate (as defined in the Bond Indenture); and

WHEREAS, the Company has requested XLCA to issue a municipal bond insurance policy with respect to the Bonds (the "***Policy***") in order to insure the payment of principal of and interest on the Bonds on the terms specified therein and in connection therewith the Issuer proposes to amend the Bond Indenture; and

WHEREAS, as a condition to the issuance of the Policy, XLCA requires that certain notices and other information be delivered from time to time by the Company and that certain rights be available to it in addition to those available as a Bond Insurer (as defined in the Bond Indenture) and Provider (as defined in the Bond Indenture) under the Bond Indenture, all as set forth herein; and

WHEREAS, the Company understands that XLCA expressly requires the delivery of this Agreement as part of the consideration for the delivery by XLCA of the Policy;

NOW, THEREFORE, in consideration of the premises and of the agreements herein contained and of the execution and delivery of the Policy, the Company and XLCA agree as follows:

ARTICLE I

DEFINITIONS

Except as otherwise expressly provided herein or unless the context otherwise requires, the terms which are capitalized herein shall have the meanings specified in the Bond Indenture or in Annex A hereto. In case of any inconsistency between the Bond Indenture and Annex A, Annex A shall govern.

ARTICLE II

REIMBURSEMENT OBLIGATION; PREMIUM AND EXPENSES

SECTION 2.01. Reimbursement Obligation.

(a) The Company agrees to reimburse XLCA, from any available funds, immediately and unconditionally upon demand for all amounts advanced by XLCA under the Policy. To the extent that any such payment due hereunder is not paid when due, interest shall accrue on such unpaid amounts at a rate equal to the Effective Interest Rate.

(b) The Company also agrees to reimburse XLCA immediately and unconditionally upon demand for all expenses hereafter incurred by XLCA, including fees and disbursements of its counsel, in connection with the enforcement by XLCA of the Company's obligations under this Agreement, together with interest accruing at the Effective Interest Rate on any unpaid expenses.

SECTION 2.02. Premium. In consideration of XLCA agreeing to issue the Policy, the Company hereby agrees to pay to XLCA, on the date of issuance of the Policy, a premium in an amount equal to 65 basis points (0.65%), flat, of the total debt service to accrue on the Bonds through the final maturity date of the Bonds calculated on the assumption that interest will accrue on the Bonds on each day at a fixed rate equal to the Bond Buyer Revenue Bond Index as in effect on the date of issuance of the Policy.

SECTION 2.03. Certain Other Expenses. The Company will pay all reasonable fees and disbursements of XLCA's outside counsel related to any modification of this Agreement requested by the Company.

SECTION 2.04. Unconditional Obligation. The obligations of the Company hereunder are absolute and unconditional and will be paid or performed strictly in accordance with this Agreement, irrespective of:

(a) any lack of validity or enforceability of, or any amendment or other modification of, or waiver with respect to the Bonds or any of the Bond Documents;

(b) any exchange, release or nonperfection of any security interest in property securing the Bonds or this Agreement or any obligations hereunder;

(c) any circumstances which might otherwise constitute a defense available to, or discharge of, the Company or the Issuer under the Bond Documents or otherwise with respect to the Bonds; and

(d) whether or not the Company's obligations under the Bond Documents, or the obligations represented by the Bonds, are contingent or matured, disputed or undisputed, liquidated or unliquidated.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 3.01. Representations and Warranties. \The Company hereby represents and warrants to the Insurer that:

(a) It is a corporation duly organized, validly existing and in good standing under the laws of the State of Illinois, is not in violation of any provision of its Restated Articles of Incorporation or its Bylaws, in each case as the same have been amended, has full corporate power to own its properties and conduct its business, is duly qualified, authorized and licensed in each jurisdiction wherein failure to qualify would have a material adverse effect on the conduct of its business, and has the corporate power to enter into, and by proper corporate action has duly authorized the execution and delivery of, this Agreement, the Loan Agreement, the Company Indenture and the First Mortgage Bonds.

(b) Neither the execution and delivery of this Agreement, the Loan Agreement, the Company Indenture or the First Mortgage Bonds, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Loan Agreement, the Company Indenture or the First Mortgage Bonds conflict with or will result in a breach of any of the terms, conditions or provisions of any law or judgment to which the Company or its property or assets are subject or of any corporate restriction contained in its Restated Articles of Incorporation or its Bylaws, in each case as the same have been amended, or any agreement or instrument to which the company is now a party or by which it is bound, or constitutes, with or without the giving of notice or lapse of time or both, a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement, except as contemplated by this Agreement, the Loan Agreement, the Company Indenture and the First Mortgage Bonds.

(c) This Agreement, the Loan Agreement, the Company Indenture and the First Mortgage Bonds have been duly and validly authorized, executed and delivered by the Company and constitute legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, usury or other similar laws affecting the rights of creditors generally, equitable principles relating to the availability of remedies and principles of public or governmental policy limiting the enforceability of the indemnification and contribution provisions.

(d) All orders and approvals have been received and will be in effect on or prior to the Closing Date, and, no consent, approval, authorization or order of, or registration with, any court or governmental or regulatory agency or body is required with respect to the Company for the execution, delivery and performance by the Company of this Agreement, the Loan Agreement, the Company Indenture or the First Mortgage Bonds.

(e) No event has occurred and is continuing under the provisions of the Loan Agreement or the Company Indenture that now constitutes, or with the lapse of time or the giving of notice, or both, would constitute, an event of default thereunder.

SECTION 3.02. Covenants.

(a) The Company agrees to comply with its covenants set forth in the Bond Documents with the same limitations imposed in such Bond Documents and such covenants are hereby incorporated by reference herein.

(b) The Company agrees that, in the event of any Reorganization, unless otherwise consented to by XLCA, the obligations of the Company under, and in respect of, this Agreement, the Bonds, the Loan Agreement, the Company Indenture and the First Mortgage Bonds shall be assumed by, and shall become direct and primary obligations of, a Regulated Utility Company.

(c) The Company agrees at all times to cause the ratio of (i) Indebtedness of the Company and its Consolidated Subsidiaries to (ii) Total Capitalization to be less than or equal to 0.65 to 1.0.

ARTICLE IV

NEGATIVE PLEDGE; FIRST MORTGAGE BONDS

SECTION 4.01. First Mortgage Bonds Prior to Release Date.

(a) Pursuant to the Bond Indenture and the Company Indenture, in order to secure the Bonds, the Company agrees that, concurrently with execution and delivery of the Policy, it will execute and deliver to the Trustee the First Mortgage Bonds in an aggregate principal amount equal to the aggregate principal amount of the Bonds. The terms of the First Mortgage Bonds, and the Trustee's rights in respect thereof, will be as set forth in the Company Indenture and the Bond Indenture.

(b) Notwithstanding anything in this Agreement to the contrary, subject to Section 4.02, from and after the Release Date, the obligation of the Company to make payment in respect of the principal of and premium, if any, and interest on the First Mortgage Bonds shall be deemed satisfied and discharged as provided in the Company Indenture and the First Mortgage Bonds shall cease to secure in any manner the Bonds.

(c) The Company shall notify XLCA and the Trustee in writing promptly upon the occurrence of the Release Date. Upon receiving such written notice of the Release Date, the Trustee shall deliver for cancellation to the Company Indenture Trustee all of the First Mortgage Bonds.

SECTION 4.02. Negative Pledge.

(a) The Company agrees that, subsequent to the Release Date and so long as any claim may be made under the Policy or any Reimbursement Obligation remains unpaid, the Company will not issue, assume or guarantee any Debt secured by any mortgage, security interest, pledge or lien (herein referred to as a "***mortgage***") of or upon any Operating Property of the Company, whether owned at the date of issuance of the Policy or thereafter acquired, and will not permit to exist any Debt secured by a mortgage on any Operating Property, without in any such case effectively securing, on the later to occur of the issuance, assumption or guaranty of any such Debt or the Release Date, the Reimbursement Obligations equally and ratably with such Debt; *provided, however*, that the foregoing restriction shall not apply to Debt secured by any of the following:

(i) mortgages on any property existing at the time of acquisition thereof, including any subsequent repairs, alterations and improvements thereto;

(ii) mortgages on property of a Person existing at the time such Person is merged into or consolidated with the Company, or at the time of a sale, lease or other disposition of the properties of such Person or a division thereof as an entirety or substantially as an entirety to the Company, *provided* that such mortgage as a result of such merger, consolidation, sale, lease or other disposition is not extended to property owned by the Company immediately prior thereto;

(iii) mortgages on property to secure all or part of the cost of acquiring, substantially repairing or altering, constructing, developing or substantially improving such property, or to secure indebtedness incurred to provide fund for any such purpose or for reimbursement of funds previously expended for any such purpose, *provided* such mortgages are created or assumed contemporaneously with, or within 18 months after, such acquisition or completion of substantial repair or alteration, construction, development or substantial improvement or within six months thereafter pursuant to a commitment for financing arranged with a lender or investor within such 18 month period;

(iv) mortgages in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, or for the benefit of holders of securities issued by any such entity, to secure any Debt incurred for the purpose of financing all or any part of the purchase price or the cost of substantially repairing or altering, constructing, developing or substantially improving the property subject to such mortgages; or

(v) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any mortgage referred to in the foregoing clauses (i) to (iv), inclusive; *provided, however*, that the principal amount of indebtedness secured thereby and not otherwise authorized by said clauses (i) to (iv), inclusive, shall not exceed the principal amount of indebtedness, plus any premium or fee payable in connection with any such extension, renewal or replacement, so secured at the time of such extension, renewal or replacement.

(b) Notwithstanding the provisions of Section 4.02(a), from and after the Release Date and so long as any claim may be made under the Policy or any Reimbursement Obligation remains unpaid, the Company may issue, assume or guarantee Debt, or permit to exist Debt, secured by mortgages which would otherwise be subject to the restrictions of this Section up to an aggregate principal amount that, together with the principal amount of all other Debt of the Company secured by mortgages (other than mortgages permitted by Section 4.02(a) that would otherwise be subject to the foregoing restrictions) and the Value of Sale and Lease-Back Transactions existing at such time, does not at the time exceed 15% of Total Capitalization.

(c) If at any time after the Release Date the Company shall issue, assume or guarantee any Debt secured by any mortgage and if Section 4.02 requires that the Reimbursement Obligations be secured equally and ratably with such Debt, the Company will promptly execute, at its expense, any instruments necessary to so equally and ratably secure such Reimbursement Obligations.

ARTICLE V

EVENTS OF DEFAULT; REMEDIES

SECTION 5.01. Events of Default. The following events shall constitute Events of Default hereunder:

(a) The Company shall fail to pay to XLCA any amount payable hereunder and such failure shall have continued for a period in excess of five calendar days after receipt by the Company of written notice thereof;

(b) Any material representation or warranty made by the Company hereunder or any material statement in the application for the Policy or any material report, certificate, financial statement or other instrument provided in connection with the Policy or herewith shall have been materially false at the time when made;

(c) Except as otherwise provided in this Section 5.01, the Company shall fail to perform any of its other obligations hereunder, *provided* that such failure continues for more than thirty (30) days after receipt by the Company of written notice of such failure to perform; or

(d) An event of default shall have occurred and be continuing under the Loan Agreement or the Bond Indenture (as defined therein).

SECTION 5.02. Remedies. If an Event of Default shall occur and be continuing, then XLCA may take whatever action at law or in equity may appear necessary or desirable, including, without limitation, legal action for the specific performance of any covenant made by the Company herein and, to the extent applicable, the pursuit of remedies available under the Bond Documents, the First Mortgage Bonds or other collateral documents, if any, to collect the amounts then due and thereafter to become due under this Agreement or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Agreement, the Bond Documents, the First Mortgage Bonds or other collateral documents, if any. All rights and remedies of XLCA under this Section 5.02 are cumulative and the exercise of any one remedy does not preclude the exercise of one or more other remedies available under this

Agreement, the Bond Documents, the First Mortgage Bonds or other collateral documents, if any, or now or hereafter existing at law or in equity.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Certain Rights of XLCA. While the Policy is in effect and until such time as all amounts payable by the Company hereunder have been paid:

(a) the Company agrees that any provision of Bond Documents expressly recognizing or granting rights in or to XLCA may not be amended in any manner which affects the rights of the Insurer without the prior written consent of XLCA;

(b) the Company shall furnish to XLCA (to the attention of the Surveillance Department) as soon as practicable after the filing thereof, a copy of each Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed by the Company (if and so long as the Company is a reporting Company under the Securities Exchange Act of 1934, as amended), a copy of any other audited financial statements of the Company, a copy of any annual report to shareholders of the Company and any other information reasonably requested;

(c) the Company will permit XLCA to discuss the affairs, finances and accounts of the Company with appropriate officers of the Company;

(d) the Company shall furnish to XLCA (to the attention of the Surveillance Department) a copy of any notice to be given to the registered owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of Bonds, and any certificate rendered pursuant to the Bond Documents relating to the security for the Bonds;

(e) the Company shall notify XLCA (to the attention of the General Counsel Office) of any failure of the Company to provide relevant notices, certificates or other documents or information as required under the Bond Documents and shall so notify XLCA of the occurrence of any Event of Default hereunder or any event of default under any Bond Document; in the event that on the third Business Day preceding the due date of any payment in respect of principal of or interest on the Bonds the Company is aware that it will fail to make such payment, the Company will provide to XLCA written notice of such failure on such third Business Day preceding the due date;

(f) at the written request of XLCA due to any material breach by the Trustee of the trust and responsibilities set forth in the Bond Indenture, which breach is not cured by the Trustee within ten Business Days of written notice of such breach from XLCA to the Trustee, the Company, subject to subsection (g) below, shall take such action as is required to remove the Trustee pursuant to Section 10.11 of the Bond Indenture;

(g) XLCA shall receive prior written notice of any Trustee resignation and, notwithstanding any provision of the Bond Indenture, no removal, resignation or termination of the Trustee, or any part of its responsibilities under the Bond Indenture, shall take effect until a successor, acceptable to XLCA, shall be appointed and such successor shall have executed a

document satisfactory to XLCA assenting to the obligations of the Trustee set forth herein. In the event that a successor Trustee cannot be identified within 60 days from the date the Trustee notifies the XLCA and the Company of its resignation, the Trustee will have the right to petition a court of competent jurisdiction for the appointment of a successor Trustee; and

(h) the appointment of a replacement Auction Agent shall be subject to prior written approval of XLCA, such approval to be deemed given if such replacement Auction Agent is one of the following Persons and their respective successors and such Person's (and its respective successor's) long-term unsecured debt at the time of such appointment is rated at least Baa1 by Moody's and BBB+ by S&P:

The Bank of New York; Wilmington Trust; Wachovia Bank Company, N.A.

SECTION 6.02. Indemnification. The Company shall indemnify and hold XLCA, its officers and directors and any person controlling or under common control with XLCA within the meaning of the Securities Exchange Act of 1934 (the "***Indemnified Parties***") harmless against any loss, fees, costs, liability or reasonable expense incurred without negligence or willful misconduct on the part of XLCA or other Indemnified Parties arising out of or in connection with the delivery of the Policy and its performance thereunder, including the costs and expenses of defense against any such claim of liability. If any action or proceeding (including any governmental investigation) shall be brought or asserted against any Indemnified Party in respect of which indemnity may be sought from the Company hereunder, XLCA shall promptly notify the Company in writing, and the Company shall assume the defense thereof, including the employment of counsel reasonably satisfactory to XLCA and the payment of all expenses. An Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof at the expense of the Indemnified Party; *provided, however*, that the fees and expenses of such separate counsel shall be at the expense of the Company if (i) the Company has agreed to pay such fees and expenses, (ii) the Company shall have failed promptly to assume the defense of such action or proceeding and employ counsel reasonably satisfactory to XLCA or other Indemnified Party, as the case may be, in any such action or proceeding or (iii) the named parties to any such action or proceeding (including any impleaded parties) include both the Indemnified Party and the Company, and the Indemnified Party shall have been advised by counsel that (A) there may be one or more legal defenses available to it which are different from or additional to those available to the Company and (B) the representation of the Company and the Indemnified Party by the same counsel would be inappropriate or contrary to prudent practice (in which case, if the Indemnified Party notifies the Company in writing that it elects to employ separate counsel at the expense of the Company, the Company shall not have the right to assume the defense of such action or proceeding on behalf of such Indemnified Party, it being understood, however, that the Company shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more then one separate firm of attorneys at any time (in addition to local counsel, if necessary) for the Indemnified Parties, which firm (or firms) shall be designated in writing by XLCA or other Indemnified Party, as the case may be). The Company shall not be liable for any settlement of any such action or proceeding effected without its written consent, but, if settled with its written consent, or if there

be a final judgment for the plaintiff in any such action or proceeding with respect to which the Company shall have received notice in accordance with this Section 6.02, the Company agrees to indemnify and hold the Indemnified Parties harmless from and against any loss or liability by reason of such settlement or judgment. The indemnification set forth herein shall survive the cancellation or expiration of the Policy and/or removal of XLCA. In the event the Company makes any payment pursuant to this Section in the course of any action or proceeding and thereafter it is finally determined that due to the negligence or willful misconduct of XLCA the Company was not required to make such a payment, XLCA shall refund such payment to the Company.

SECTION 6.03. Parties Interested Herein. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Company and XLCA (except as otherwise provided in Section 6.02 with respect to Indemnified Parties), any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Agreement contained by and on behalf of the Company and XLCA shall be for the sole and exclusive benefit of the Company and XLCA (except as otherwise provided in Section 6.02 with respect to Indemnified Parties).

SECTION 6.04. Amendment and Waiver. Any provision of this Agreement may be amended, waived, supplemented, discharged or terminated only with the prior written consent of the Company and XLCA. The Company hereby agrees that upon the written request of the Trustee, XLCA may make or consent to issue any substitute for the Policy to cure any ambiguity or formal defect or omission in the Policy which does not materially change the terms of the Policy nor adversely affect the rights of the Owners or the obligations of the Company under this Agreement relating to the Policy, and this Agreement shall apply to such substituted Policy. XLCA agrees to deliver to the Company and to the company or companies, if any, rating the Bonds, a copy of such substituted Policy.

SECTION 6.05. Successors and Assigns; Descriptive Headings.

(a) This Agreement shall bind, and the benefits thereof shall inure to, the Company and XLCA and their respective successors and assigns; *provided*, that neither party hereto may transfer or assign any or all of its rights and obligations hereunder without the prior written consent of the other party hereto. Notwithstanding the foregoing provisions of this Section 6.05(a), XLCA shall have the right to reinsure any portion of its exposure under the Policy to third party reinsurers, it being understood that any such reinsurance shall not relieve XLCA of its obligations under the Policy.

(b) The descriptive headings of the various provisions of this Agreement are inserted for convenience of reference only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 6.06. Counterparts. This Agreement may be executed in any number of copies and by the different parties hereto on the same or separate counterparts, each of which fully-executed counterparts shall be deemed to be an original instrument, and all of which shall

constitute but one and the same instrument. Complete counterparts of this Agreement shall be lodged with the Company and XLCA.

SECTION 6.07. Term. This Agreement shall expire upon the later of (i) the expiration of the Policy in accordance with the terms thereof, or (ii) the repayment in full to XLCA of any amounts due and owing to it by the Company under this Agreement or the Policy.

SECTION 6.08.Exercise of Rights. No failure or delay on the part of XLCA to exercise any right, power or privilege under this Agreement and no course of dealing between XLCA and the Company or any other party shall operate as a waiver of any such right, power or privilege, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which XLCA would otherwise have pursuant to law or equity. No notice to or demand on any party in any case shall entitle such party to any other or further notice or demand in similar or other circumstances, or constitute a waiver of the right of the other party to any other or further action in any circumstances without notice or demand.

SECTION 6.09. Waiver. The Company waives any defense that this Agreement was executed subsequent to the date of the Commitment, admitting and covenanting that such Commitment was delivered pursuant to the Company's request and in reliance on the Company's promise to execute this Agreement.

SECTION 6.10. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior agreements and understandings of the parties hereto with respect to the subject matter hereof, including but not limited to the Commitment.

SECTION 6.11. Notices. All written notices to or upon the respective parties hereto shall be deemed to have been given or made when actually received, or in the case of telecopier machine owned or operated by a party hereto, when sent and confirmed in writing by such machine as having been received, addressed as specified below or at such other address as any of the parties hereto may from time to time specify in writing to the other:

If to the Company:

Central Illinois Public Service Company d/b/a AmerenCIPS
One Ameren Plaza
1901 Chouteau Avenue
St. Louis, Missouri 63103
Attention: Legal Department
Facsimile: 314-554-4014

If to XLCA:

XL Capital Assurance Inc.
1221 Avenue of the Americas, 31st Floor

New York, New York 10020
Attention: Richard Heberton, Surveillance Department
Facsimile: 212-478-3587

and

Attention: Frederick B. Hnat, Esq., General Counsel
Facsimile: 212-478-3446

SECTION 6.12. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois.

SECTION 6.13. Confidentiality. XLCA agrees to maintain in confidence and not to disclose without the Company's consent (other than to its employees, directors, auditors, counsel and other professional advisors, with respect to each of whom XLCA shall also be bound by this Section 6.13) any information concerning the Company furnished pursuant to this Agreement and identified as confidential by the party so furnishing such information, *provided* that XLCA may disclose any such information (a) that has become generally available to the public, (b) if required or appropriate in any report, statement or testimony submitted to any regulatory body having jurisdiction over XLCA, (c) if required or appropriate in respect to any summons or subpoena or in connection with any litigation or other legal proceeding, (d) in order to comply with any law, order, regulation or ruling applicable to XLCA, or (e) to (1) reinsurers that are considering participating in the transactions contemplated by this Agreement, and (2) any rating agencies involved in rating the Bonds or claims paying ability of XLCA (it being understood that such reinsurers and ratings agencies shall be informed by XLCA to treat such information confidentially and not to use the information other than in evaluating the Bonds or XLCA); *provided* that in the case of any disclosure under subsection (c) above, XLCA shall, unless prohibited by law, order, regulation or ruling from doing so, notify the Company of such disclosure so that the Company may seek an appropriate protective order.

[signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AMERENCIPS

By:_____
Name: Jerre E. Birdsong
Title: Vice President and Treasurer

XL CAPITAL ASSURANCE INC.

By:_____
Name:
Title:

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY d/b/a AMERENCIPS

By:_____
Name:
Title:

XL CAPITAL ASSURANCE INC.

By:_____
Name: Alistair Buchan
Title: Managing Director

ANNEX A

DEFINITIONS

For all purposes of this Agreement, the terms "***XLCA***", "***Company***", "***Trustee***", "***Bond Indenture***", "***Issuer***", "***Bonds***", "***Loan Agreement***" and "***Policy***" have meanings set forth in the preamble and the recitals hereof and except as otherwise expressly provided herein or unless the context otherwise requires, all other capitalized terms shall have the meanings as set out below:

"***Agreement***" means this Insurance Agreement.

"***Applicable Indebtedness***" means, prior to the Release Date, the Company's unenhanced first mortgage bonds outstanding under the Company Indenture and, on or after the Release Date, the Company's unenhanced senior unsecured indebtedness.

"***Attributable Indebtedness***" means, on any date, in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

"***Bond Documents***" means, collectively, the Bond Indenture, the Loan Agreement, the Company Indenture and any other documents and instruments delivered in connection with the issuance of the Bonds.

"***Capital Lease Obligation***" means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real or personal property, which obligations are or are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP (including SFAS No. 13 of the Financial Accounting Standards Board).

"***Closing Date***" means the date of issuance of the Policy.

"***Company Indenture***" means that certain Indenture of Mortgage or Deed of Trust, dated as of October 1, 1941, between the Company and U.S. Bank National Association, as successor to Continental Illinois National Bank and Trust Company and Patrick J. Crowley, as trustee, as amended, modified or supplemented from time to time, including without limitation the Supplemental Indenture, dated as of October 1, 2004, providing for issuance of the First Mortgage Bonds.

"***Company Indenture Trustee***" means U.S. Bank National Association, as Trustee under the Company Indenture, or its successors.

"***Consolidated Subsidiaries***" means, as to any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which shall be (or should have been) consolidated with the financial statements of such Person in accordance with GAAP.

"***Debt***" shall mean any outstanding debt for money borrowed.

"***Effective Interest Rate***" means the "prime rate" announced by Citibank, N.A., from time to time, plus 2%.

"***Event of Default***" means any of the events of default set forth in Section 5.01 of this Agreement.

"***First Mortgage Bonds***" means the First Mortgage Bonds, Environmental Improvement Series 2004 of the Company to be issued pursuant to the Company Indenture to secure the Bonds.

"***GAAP***" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements of the Financial Accounting Standards Board.

"***Guaranty Obligations***" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guarantying or having the economic effect of guarantying any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or their obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligees in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligees against loss in respect thereof (in whole or in part), or (b) any lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person; *provided, however*, that the term "Guaranty Obligation" shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guaranty Obligation is made or, if not stated or determinable, the maximum reasonable anticipated liability in respect thereof as determined by the guarantying Person in good faith.

"***Indebtedness***" means, as to any Person at a particular time, all of the following, without duplication, to the extent recourse may be had to the assets or properties of such Person in respect thereof:

(a) All obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements (to the extent funded) or other similar instruments;

(b) Any direct or contingent obligations of such Person in the aggregate in excess of $2,000,000 arising under letters of credit (including standby and commercial), banker's acceptances, bank guaranties, surety bonds and similar instruments;

(c) Net obligations under any Swap Contract in an amount equal to the Swap Termination Value thereof;

(d) All obligations of such Person to pay the deferred purchase price of property or services (except trade accounts payable arising, and accrued expenses incurred, in the ordinary course of business), and indebtedness (excluding prepaid interest thereon) secured by a lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person;

(e) Capital Lease Obligations; and

(f) All Guaranty Obligations of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, unless such Indebtedness is non-recourse to such Person. It is understood and agreed that Indebtedness (including Guaranty Obligations) shall not include any obligations of the Company with respect to subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith, as long as the maturity date of such debt is subsequent to the maturity date of the Bonds; *provided* that the amount of mandatory principal amortization or defeasance of such debt prior to the maturity date of the Bonds shall be included in the definition of Indebtedness. The amount of any Capital Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"***Net Tangible Assets***" means the amount shown as total assets on the balance sheet of the Company, less the following:

(1) intangible assets including, but without limitation, such terms as goodwill, trademarks, trade names, patents and unamortized debt discount and expense carried as an asset on said balance sheet; and

(2) appropriate adjustments, if any, on account of minority interests.

Net Tangible Assets shall be determined in accordance with generally accepted accounting principles and practices applicable to the type of business in which the Company is engaged and that are approved by the independent accountants regularly retained by the Company, and shall be determined as of the date that is the end of the

most recent fiscal quarter prior to the happening of an event for which such determination is being made.

"***Operating Property***" means (i) any interest in real property owned by the Company and (ii) any asset owned by the Company that is depreciable in accordance with generally accepted accounting principles.

"***Person***" means an individual, partnership, limited liability company, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"***Regulated Utility Company***" means an entity engaged in the retail sale and distribution of electricity, which sale and distribution is subject to rate regulation by a state public utility commission.

"***Reimbursement Obligation***" means the obligation of the Company to make payments pursuant to Section 2.01(a).

"***Release Date***" means the date as of which all first mortgage bonds of the Company issued pursuant to the Company Indenture (other than the First Mortgage Bonds and other first mortgage bonds having similar release provisions) have been retired through payment, redemption or otherwise at, before or after the maturity thereof.

"***Reorganization***" means any reorganization of the Company or any consolidation, merger or transfer of a substantial portion of the assets of the Company as a result of which the obligor under or in respect of this Agreement, the Loan Agreement, the Company Indenture or the First Mortgage Bonds pledged to secure the Bonds would cease to be a Regulated Utility Company.

"***Sale and Lease-Back Transaction***" means any arrangement with any Person providing for the leasing to the Company of any Operating Property (except for leases for a term, including any renewals thereof, of not more than 48 months), which Operating Property has been or is to be sold or transferred by the Company to such Person.

"***Shareholder's Equity***" means, as of any date of determination, shareholder's equity of the Company on a consolidated basis as of that date determined in accordance with GAAP.

"***State***" means the State of Illinois.

"***Subsidiary***" means, with respect to any Person, any corporation or other entity of which more than 50% of (i) the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether or not at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) or (ii) other equity interest comparable to that described in the preceding clause (i) is at the time directly or indirectly owned by such Person, by such Person and one or more other Subsidiaries, or by one or more other Subsidiaries.

"***Swap Contract***" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transaction, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement; *provided, however*, that no commodity swap, commodity option or forward commodity contract shall be a Swap Contract if it is entered into for the purpose of hedging commodity risks and not for speculative purposes.

"***Swap Termination Value***" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such unpaid, undischarged or unsatisfied Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a) the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts, in each case as calculated by the Company in order to ensure compliance with Financial Accounting Standards Board Statement No. 133 to the extent applicable.

"***Total Capitalization***" means Indebtedness of the Company and its Consolidated Subsidiaries plus the sum of (i) Shareholder's Equity and (ii) to the extent not otherwise included in Indebtedness or Shareholder's Equity, preferred and preference stock and securities of the Company and its Subsidiaries included in the then most recent consolidated balance sheet of the Company and its Subsidiaries in accordance with GAAP.

"***Value***" means, with respect to a Sale and Lease-Back Transaction, as of any particular time, the amount equal to the greater of:

(1) the net proceeds from the sale or transfer of the property leased pursuant to such Sale and Lease-Back Transaction and

(2) the net book value of such property, as determined in accordance with generally accepted accounting principles at the time of entering into such Sale and Lease-Back Transaction, in either case multiplied by a fraction, the

numerator of which shall be equal to the number of full years of the term of the lease that is part of such Sale and Lease-Back Transaction remaining at the time of determination and the denominator of which shall be equal to the number of full years of such term, without regard, in any case, to any renewal or extension options contained in such lease.